

STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR NEWBERRY COUNTY  
ORDINANCE NO.11-22-18

**AN ORDINANCE AUTHORIZING (1) THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT BY AND BETWEEN NEWBERRY COUNTY, SOUTH CAROLINA (THE “COUNTY”) AND SAMSUNG ELECTRONICS HOME APPLIANCES AMERICA, LLC, ACTING FOR ITSELF, ONE OR MORE AFFILIATES, AND/OR OTHER PROJECT SPONSORS (COLLECTIVELY, THE “COMPANY”), PURSUANT TO WHICH THE COMPANY SHALL BE ENTITLED TO CERTAIN NEGOTIATED FEES IN LIEU OF AD VALOREM TAXES WITH RESPECT TO THE ESTABLISHMENT OF CERTAIN FACILITIES IN THE COUNTY (THE “PROJECT”); (2) THE ADDITION OF THE PROJECT TO A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK; (3) THE PROVISION OF CERTAIN SPECIAL SOURCE REVENUE CREDITS IN CONNECTION WITH THE PROJECT; AND (4) OTHER MATTERS RELATING THERETO.**

WHEREAS, Newberry County, South Carolina (“County”), acting by and through its County Council (“County Council”) is authorized pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (“Code”), and particularly Title 12, Chapter 44 of the Code (“Negotiated FILOT Act”) as well as Title 4, Chapter 1 of the Code together with Article VIII, Section 13 of the South Carolina Constitution (collectively, “Multi-County Park Act”), to encourage manufacturing and commercial enterprises to locate in the State of South Carolina (“South Carolina” or “State”) or to encourage manufacturing and commercial enterprises now located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with one or more investors to (i) accept certain fee in lieu of *ad valorem* tax (“FILOT”) payments, including, but not limited to, negotiated FILOT payments (“Negotiated FILOT Payments”) made pursuant to the Negotiated FILOT Act, with respect to a project; (ii) permit investors to claim special source revenue credits against their FILOT payments (“Special Source Credits”) to reimburse such investors for expenditures in connection with infrastructure serving the County and improved or unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing or commercial enterprise in order to enhance the economic development of the County (“Special Source Improvements”); and (iii) create, in conjunction with one or more other counties, a multi-county industrial or business park (“Park”) in order to afford certain enhanced income tax credits to such investors and to facilitate the grant of Special Source Credits; and

WHEREAS, at the request of the Company and as an inducement to locate the Project in the County, the County desires to enter into a Fee in Lieu of Tax and Incentive Agreement with the Company, the form of which is attached hereto as Exhibit A (“Fee Agreement”), pursuant to which the County will provide certain incentives to the Company with respect to the Project, including (1) providing for Negotiated FILOT Payments, to be calculated as set forth in the Fee Agreement, with respect to the portion of the Project which constitutes economic development property; (2) committing to locate the Project in a Park, to the extent the Project is not already included in the Park; (3) providing certain Special Source Credits, as described in the Fee Agreement, to assist in paying the costs of certain Special Source Improvements; and (4) providing the Company with a one-time cash grant to pay certain Project costs; and

WHEREAS, Samsung Electronics Home Appliances America, LLC, acting for itself, one or more affiliates, and/or other project sponsors (the “Company”), desires to establish certain facilities in the County primarily for the manufacture of home appliances and for related activities (“Project”), which, should plans proceed as anticipated, will result in aggregate investment of at least \$350,000,000 in the Project and aggregate job creation of least 954 new, full-time jobs within the County; and

WHEREAS, under the authority provided in the Multi-County Park Act, the County has created a Park with Greenwood County, South Carolina more particularly known as the Greenwood-Newberry Industrial Park (“Greenwood-Newberry Park”); and

WHEREAS, pursuant to Ordinance No. 8-20-17, the County authorized and approved the expansion of the Greenwood-Newberry Park to include the Project, and, to the extent any part of the Project was already included in another Park, the County approved the transfer of the portion of the Project located in another Park to the Greenwood-Newberry Park upon termination of the other Park.

NOW THEREFORE, BE IT ORDAINED, by the County Council as follows:

**Section 1. *Statutory Findings.*** Based on information supplied to the County by the Company, County Council evaluated the Project based on relevant criteria including, the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment, employment to be created, and the anticipated costs and benefits to the County, and hereby finds:

(a) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;

(b) The Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power;

(c) The purposes to be accomplished by the Project are proper governmental and public purposes and the benefits of the Project are greater than the costs.

**Section 2. *Approval of Incentives; Authorization to Execute and Deliver Fee Agreement.*** The incentives as described in this Ordinance (“Ordinance”), and as more particularly set forth in the Fee Agreement, with respect to the Project are hereby approved. The form, terms and provisions of the Fee Agreement that is before this meeting are approved and all of the Fee Agreement’s terms and conditions are incorporated in this Ordinance by reference. The Chair of County Council (“Chair”) is authorized and directed to execute the Fee Agreement in the name of and on behalf of the County, subject to the approval of any revisions or changes as are not materially adverse to the County by the County Administrator and counsel to the County, and the Clerk to County Council is hereby authorized and directed to attest the Fee Agreement and to deliver the Fee Agreement to the Sponsor.

**Section 3. *Inclusion within the Park.*** The expansion of the Greenwood-Newberry Park boundaries to include the Project, including, but not limited to, the Project site as currently constituted, was previously authorized and approved by Ordinance No. 8-20-17. The County will ensure that the Project will be included, if not already included, and will remain, within the boundaries of the Newberry-Greenwood Park or another Park during the term of the Fee Agreement on terms, and for a duration, which facilitate the County’s provision, and the Company’s receipt, of the Special Source Credits referenced in this Ordinance and described in the Fee Agreement.

**Section 4. *Further Assurances.*** The County Council confirms the authority of the Chair, the County Administrator, the Director of Economic Development, the Clerk to County Council, and various other

County officials and staff, acting at the direction of the Chair, the County Administrator, the Director of Economic Development or Clerk to County Council, as appropriate, to take whatever further action and to negotiate, execute and deliver whatever further documents as may be appropriate to effect the intent of this Ordinance and the incentives offered to the Sponsor under this Ordinance and the Fee Agreement.

**Section 5. *Savings Clause.*** The provisions of this Ordinance are separable. If any part of this Ordinance is, for any reason, unenforceable then the validity of the remainder of this Ordinance is unaffected.

**Section 6. *General Repealer.*** Any prior ordinance, resolution, or order, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

**Section 7. *Effectiveness.*** This Ordinance is effective after its third reading and public hearing.

NEWBERRY COUNTY, SOUTH CAROLINA

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Chair, Newberry County Council

(SEAL)  
ATTEST:

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Clerk of Council, Newberry County Council

First Reading: November 7, 2018  
Second Reading: December 5, 2018  
Public Hearing: December 5, 2018  
Third Reading:

**EXHIBIT A**  
**FORM OF FEE AGREEMENT**